

Level of Ethics and Integrity: Case Studies of Malaysian Public Sector Organizations

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Abstract

The purpose of this paper is to measure the level of ethics and integrity in the three different types of public sector entities i.e., state level (CSA), state statutory body (CSB) and federal statutory body (CSC). An explanatory case study method is used to collect the data whereby semi structured interviews, informal conversations, questionnaire and document reviews are conducted. The overall shows score of the level of ethics and integrity is more than 50 percent indicating that all organizations studied are serious in initiating proper integrity mechanism into their daily activities at work places to maintain the highest levels of transparency, integrity and professionalism. CSB shows the highest percentage of 70.85% compared to CSA (68.26%) and CSC (66.10%). Further in depth study is highly recommended to get more generalize results on the factors that influencing the level of ethics and integrity in Malaysian public sector organization.

Keywords: Chief Integrity Unit, CISM, Ethics and Integrity, Public Sector, Malaysia

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1. Introduction

Corporate governance issues are significantly influencing public policy debates on firm controls nowadays. Organizational and management practices including management accounting activities are also being substantially affected (Bhimani, 2009). The governance in public administration, for instant, has been a global issue as a result of the continuous stream of governance failures, fraud, inefficiency, corruption, and poor internal control and financial management (Rosli, Aziz, Mohd, & Said, 2015). Consequently, corruption and its devastating effects on social and economic development have emerged as a major global concern and challenge over the past period (Malaysian Anti-Corruption Commission [MACC] Official Website, 2016).

The international community has addresses this issue and provides international instruments to tackle corruption in the United Nations Convention against Corruption (UNCAC). These days, when practices of corruption have become more complex, there is an urgent need for a smaller and more informal network of professionals for a

better cooperation on a range of related issues in the spirit of sincere cooperation and mutual assistance. Thus, the Southeast Asia Parties against Corruption (SEA-PAC) has been established to fulfil this significant role. Malaysia is one of the SEA-PAC members along with Brunei, Cambodia, Indonesia, Laos, Myanmar, Philippines, Singapore, Thailand and Vietnam (Malaysian Anti-Corruption Commission [MACC] Official Website, 2016).

According to the Asia Pacific Fraud Survey Report Series 2013, Malaysia and China have the highest level of both bribery and corruption. Another recent survey by Transparency International on Corruption Perceptions Index 2013 has shown that Malaysia has just managed to advance one slot in the rankings from 54 to 53 out of 177 countries and has scored 50; however, it remained in the average range of perception from the people, indicating that graft-fighting measures efforts are still inadequate (The Sunday Daily, 2013). This indication appears even though the government is on the right track to restore public confidence. Numerous steps should be taken to improve public perception particularly towards public sector accountability (Said, Alam, & Khalid, 2015). Based on the CPI statistics, cases of allegations of corrupt in the newspaper and social media showed that unethical behaviour and integrity is a main problem issue in the Malaysian public sector. The issue of corruption and unethical conduct remains critical. Up to July 2016, the total number of arrests already comprised of 588 cases with 296 cases involving public sector officials as shown in Table 1.

Table 1: Annual Statistics on Arrest as of July 2016 (n=588)

Month	Jan	Feb	Mac	Apr	May	Jun	Jul	Total
Top Management	0	0	1	0	0	0	0	Public Official
Professional and Management	15	6	7	7	5	23	5	
Support Staff	38	39	31	25	42	33	19	
Total	53	45	39	32	47	56	24	296
Private Sector	30	8	44	28	14	9	6	Civilian
General Public	23	14	21	30	36	14	13	
Local Councillor	0	0	0	0	0	0	0	
Politician	0	0	1	0	0	1	0	
Total	53	22	66	58	50	24	19	292

In another statistics, offenders for corruption cases by government employee and statutory body took up almost 50% from the total offenders as shown in Figure 2.

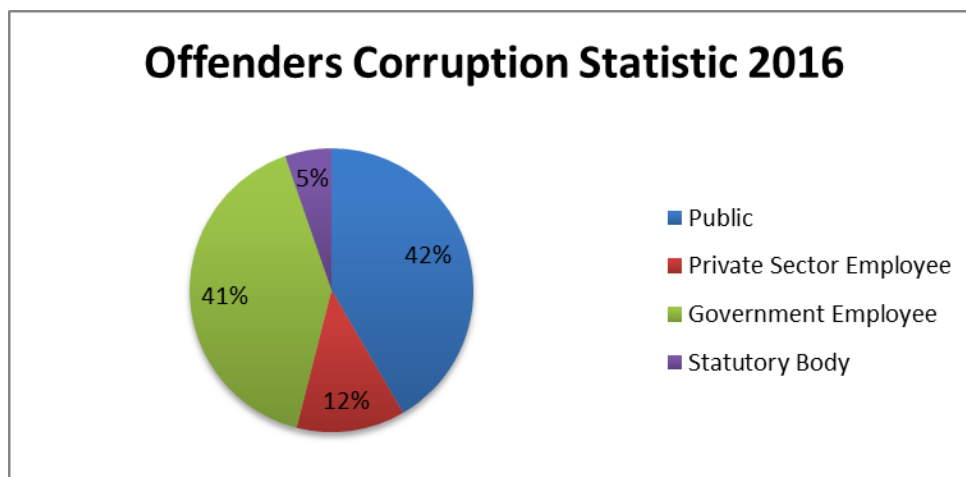


Figure 1. Offenders Corruption Statistics 2016. Adapted and revised from MACC Official Website (2016).

The case issue is very critical and causing the government to lost the public trust. Even though various initiatives have been conducted, there issues remain the same. Moreover, there is limited studies conducted in relation with the level of ethics and integrity in Malaysian public sector. Thus, this paper attempts to achieve the following objectives: (1) To determine the level of ethics and integrity in the Malaysian public sector organization; (2) To relate the level of ethics and integrity to the type of the organizations (3) To offer recommendation towards improvement of the level of ethics and integrity in the subjected case studies.

2. Literature Review

Malaysian public sector, formerly known as the Malaysian Civil Service (MSC), is structured into three tier levels which are the Federal, State and Local Government. The Federal Government is, in fact, the Central Government with 25 Federal Ministries headed by their respective Ministers and administrative heads, the Secretary-Generals. There are 13 State Governments within Malaysia implementing state functions along with Federal Departments. The State Governments generate their own revenues and incur their own expenditures even though the Federal Government undertakes projects at the state level agreed upon in the Concurrent List and Federal List in the Constitution of Malaysia (Ali, 2015).

The Local Authorities constitute the City Councils, Municipalities and District Councils that operate with revenue derived from sources within their jurisdiction and boundaries namely assessment, licensing etc. They also receive financial grants from the Federal Government and respective State Governments. These Local Authorities enjoy financial autonomy although they adhere to the general Government procurement procedures. Statutory bodies are set up under Statute Acts both by the Federal and State Governments. These bodies are normally set up for specific purposes and although they are autonomous. They are also generally governed by Government procurement procedures (Ali, 2015).

Combating corruption or promoting integrity has become a major component of governmental reforms in many countries. Malaysia is no exception to this rule. The Malaysian government through its Economic Transformation Program (ETP) is positioning the nation to become a high-income nation by the year 2020. While the Anti-Corruption Agency was set up in 1967 with clear mandates, it was reformed and revitalized subsequently to make it more effective in containing corruption and all forms of mal-administration in the society. Since 2003 fighting corruption has been firmly on the agenda of the government: variety of new initiatives and strategies have been devised and implemented ever since. Taken together, Malaysia has an elaborate anti-corruption framework. The efforts of achieving some significant milestones in this long and challenging journey is shown in Table 1. Yet, Malaysia presents an interesting case where the level of corruption has remained high and the plethora of strategies and the recent campaigns appear to have made hardly any difference in containing and combating corruption in the society (Siddiquee, 2010).

Table 1: Milestones of Anti-corruption strategy in the public sector

Year	Milestones
2004	: Launching of the National Integrity Plan (NIP) and Establishment of Institute of Integrity Malaysia (IIM)
2008	: Setting up of Malaysian Anti-Corruption Commission (MACC)
2009	: Prime Minister Directive No. 1 2009 – Implementation of Certified Integrity Unit (CeIO) in ministries, departments and public agencies.
2010	: Launching of the Government Transformation Programme (National Key Results Areas – Fighting Corruption) and Economic Transformation Programme. Signing of Integrity Pledge by Chamber of Commerce with Malaysian Anti-Corruption Commission (MACC), Formulation of Corporate Integrity System Malaysia (CISM) Roundtable
2011	: Creation of Corporate Integrity Pledge (CIP)
2012	: Publication of Best Business Practice Circular (3/2012)
2013	: Appointment of Minister of Governance and Integrity
2014	: Prime Minister Directive No. 1 2014 - Establishment of Integrity and Governance Committee (replacing the Prime Minister Directive No.1 2009). Publication of Corporate Integrity System Malaysia (CISM) Toolkit: From Pledge to Practice

Note. Adapted and revised from Corporate Integrity System Malaysia (CISM) Official Website.

In June 2014, Prime Minister Directive was released that gives mandate of establishment of Integrity and Governance Committee in all ministries and states departments. Prior to that, Circular No. 6 2013 indicated the requirement for establishment of Integrity Unit in all government agencies was released. The unit is intended to ensure that civil servants adopt an integrity and ethical culture. MACC is held responsible for conducting agencies' risk-rating to determine the appropriate model of Integrity Unit. The risk level is classified as high, medium or low. Agency Integrity Management Division under MACC plays the role to conduct research, along with planning, drafting and developing internal control policy and integrity institutionalization initiative for Integrity Units under ministries, state governments, departments and government agencies. This initiative is hoping to curb criminal misconduct and violations of the code of conduct and ethics in the civil service organization. The unit will act as a focal point to all matters related to integrity management based on six core functions (MACC Official Website, 2016) as shown in Table 2. To ensure the effectiveness of the implementation of integrity unit, Chief Integrity Unit is required to submit a report to the General Secretary / Head of Department and BPIA every four months i.e. before the 15th May, September and January. To date, there are a total of 887 integrity units in all public sector organizations of Malaysia.

Table 2: Core Function of Integrity Unit

Core Functions	Implementation
Governance	Ensuring the best of governance implemented
Strengthening of integrity	Ensure that the acculturation, institutional and implementation of integrity within the organization.
Detection and confirmation	i) Detecting and verify the complaint criminal misconduct and violations of the code of conduct and ethics of the organization and ensure that appropriate actions are taken. ii) Reported criminal misconduct enforcement agencies responsible.
Management of Complaints	Receive and take action on all complaints / information on criminal misconduct and violations of the code of conduct and ethics organizations.
Compliance	Ensure compliance with the laws and regulations in force.
Disciplinary	Perform the functions of the secretariat Disciplinary Board

Note. Adapted and revised from JPA (BPO) (S) 215/65 Jld.13 (8), Public Administrative Departments.

Ismail (2013) developed measures and proposes that corporate governance indicators can reliably measure and assess integrity. These corporate governance indicators include directors, director's remuneration, shareholders, accountability and audit, business ethics and responsibility, intellectual capital and disclosure. The research makes a contribution to knowledge by providing empirical evidence regarding the use of corporate governance indicators in assessing corporate integrity. On the other hand, Kaptein and Avelino (2005) measured integrity in the organization through a survey-based approach by assessing five elements i.e. (i) the existence of codes; (ii) the quality of compliance programs; (iii) the ways these codes and programs are embedded in and supported by the corporate structure and culture; (iv) the frequency of unethical conduct; and (v) the (potential) impact of unethical conduct on the corporation and its stakeholders. .

Institute of Integrity of Malaysia (IIM) measures level of corporate integrity by using Corporate Integrity Assessment Questionnaire (CISM). CISM is a tool introduced and made available by the Malaysian Institute of Integrity (IIM) in late 2010 to facilitate organizations to assess and measure their progress in making a formal and transparent commitment to ethics and integrity in the workplace. Previous studies have used these 12 dimensions of corporate integrity system as shown in Table 3 (Rosli et al., 2015). Studies conducted by Said and Omar (2014) on analysis of two giant government linked companies using the Corporate Integrity System found that the level of ethics and integrity on the average is 50%. Company A's level of ethics and integrity is 67.7% (Utility Company), is higher than Company B's level of ethics and integrity of 59.7% (Healthcare Company). Company A scored higher than Company B in terms of Vision and Goals, Legal Compliance, Policies and Rules and Corporate Social Responsibility. The score for Corporate Social Responsibility is highest for both companies with lowest score in Infrastructure that is the way the organization structures or organizes its ethics

and integrity function so that it can carry out its goals effectively. The lowest score indicates that these two leading GLCs placed less emphasis on integrity infrastructure to support the companies to carry out its integrity's goals effectively (Said & Omar, 2014).

Table 3: Dimensions of Corporate Integrity System

Dimension	Description
Vision and Goals	This dimension covers the organization's overall concept of and approach to ethics and integrity, including its formal articulation of the organization's underlying philosophy about ethical and moral conduct, and how these expectations are embedded in the organization
Leadership	Covers the responsibilities of the organization's leadership in shaping, guiding, and supporting the organization's ethics and integrity initiatives
Infrastructure	Explores the way the organization structures or organizes its ethics and integrity function so that it can carry out its goals effectively.
Legal Compliance, Policies and Rules	This category assesses the internal framework that provides the floor for ethical behavior. It also includes compliance with the external legal framework, established by the multiple jurisdictions and legal frameworks within which the organization operates.
Organizational Culture	This dimension covers the organization's overall concept of and approach to ethics and integrity, including its formal articulation of the organization's underlying philosophy about ethical and moral conduct, and how these expectations are embedded in the organization.
Disciplinary	Assess how the organization sets and enforces its standards for ethical conduct and behaving with integrity. This category addresses rewards and punishments, incentives that promote ethical behavior, and disciplinary action taken to limit or punish unethical work conduct.
Measurement Research and Assessment	Evaluates how ethics and integrity are measured, whether the organization undertakes research to support ethics strategies that create a culture of ethics and integrity`
Confidential Advice and Support	Describes how the organization provides confidential, neutral, professional, and independent ethics advice to employees, supervisors, managers, executives, members of governing bodies, and other stakeholders.
Ethics Training and Education	Explores ethics and integrity awareness, skill-building training and education, and the integration of such training into the overall development of all employees. This category includes the provision of ethics-related training and skill building throughout the life cycle of staff members, and the degree to which these initiatives are integrated into other organization-wide training commitments.
Ethics Communication	Describes how the ethics and integrity initiative is articulated and promoted, both internally and externally. This category covers how the organization defines its stakeholders and how it gears its key messages to distinct audiences
Whistleblowing	Explores how the organization encourages individuals (both internal and external to the entity) to speak up and make reports of questionable conduct
Accountability	Mechanisms intended to ensure that governing institutions and personnel faithfully perform the duties they owe to citizens, businesses, and other stakeholders. Accountability operates by specifying the relationships between public officials' behavior and performance on one hand, and rewards and punishments on the other. It can be thought of in three layers: between voters and politicians, between politicians and bureaucrats, and between superior and subordinate public officials. (Lanyi & Azfar, 2005)

3. Research Methodology

This research is a case study, specifically studies on the level of ethics and integrity in two public sector entities i.e. state level (case study A) and state statutory body (case study B). Both cases were located in a State of East Coast Region of Peninsular Malaysia. Data were gathered from both primary and secondary sources that include the following which are: (i) Interviews with head of integrity unit i.e. Chief Integrity Unit (CIU). All interviews were tape-recorded and transcribed for analysis; (ii) internally generated documents made available by the head of integrity unit. These documents were reviewed and; (iii) Questionnaire to measure level of ethics and integrity of the organizations were distributed to CIU.

Prior to visiting the organizations, their official website was reviewed the organization better including organizational chart and the history of organizations. To gain deeper insight of the CIU and integrity unit in Malaysian public sector organizations, interviews with Institute of Integrity Malaysia (IIM), Malaysian Anti-Corruption Commission (MACC), Malaysian Anti-Corruption Academy (MACA) and researchers from public universities were conducted within December 2015 to August 2016. There are a total of 12 demographic questions and 208 descriptors of 12 CISM Dimensions in the questionnaire. CISM analysis provides five benchmarks level of ethics and integrity in the organization as shown in Figure 2.

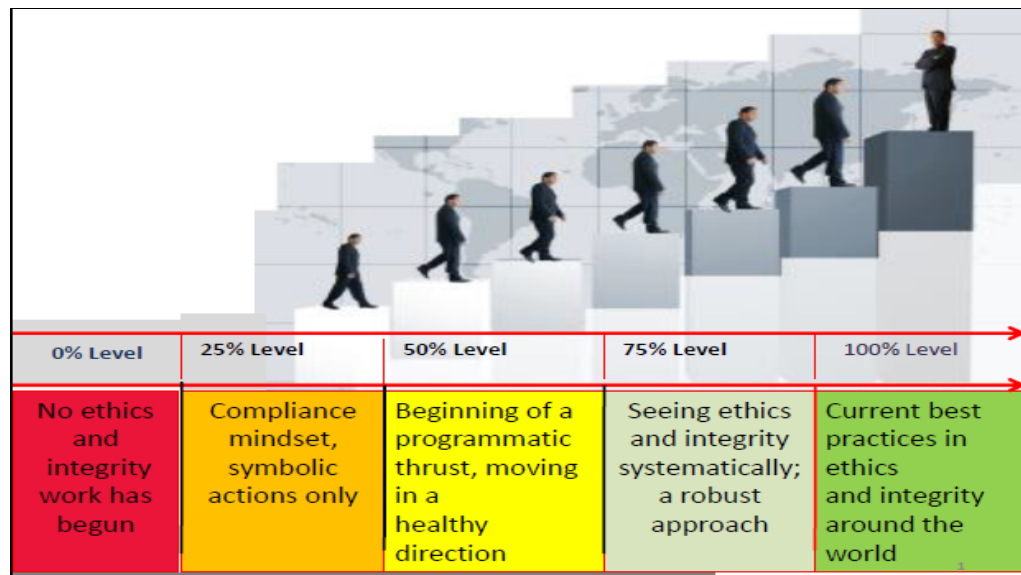


Figure 2: Five benchmarks level of CISM. Source: Malaysian Institute of Integrity (IIM)

4. Analysis and Discussion

Case Study A

CSA is the integrity unit of public sector organization at state government level (PSA). Initially, CSA was under Human Resources Department and was separated on its own in year 2014. This is in according to the requirement by the Prime Minister Directive No. 1 2014 where all ministries and state governments must have their own integrity unit function. CSA is under judiciary of State Secretary Office where the CIU has to report directly. At the same time, it is also required to report to the National Committee Meeting which is held three times per year. The main function of the CSA is to monitor and control the local council authorities, state departments and statutory bodies of the state. The CIU of CSA possesses a bachelor degree and has working experience related with ethics and integrity less than three years. Having to supervise a huge organization, the small number of employees (10) makes the job function difficult and taxing. In most cases CIU work hand in hand with the internal audit unit to oversee issues of integrity of the state.

Case Study B

CSB is the integrity unit in one of the state statutory bodies (PSB). PSB serves as the foundation to further the advancement of education, sports, culture and expand opportunities for education among citizens in the State. There are four subsidiaries under PSB which are related to plantation, mining and education with 82 staffs altogether. CIU of CSB is holding dual role as both head of integrity unit and head of internal audit division. This is because, in conjunction with the mandate given by the Prime Minister's Directive No. 1 2014, the State Secretary Officer has given the instruction to establish the integrity unit in all state departments and agencies including state statutory bodies. In a clause instructed by the State Secretary Officer, for those departments and statutory bodies without enough resources for appointment of new head of integrity unit, the head of internal audit unit must play the respective role. Since then, the head of internal audit division of PSB also serves as the chief integrity unit. Besides that, she is also given another portfolio that is to look after the investment division of PSB. Despite not having direct experience in handling ethics and integrity unit, the CIU of CSB who is member of Association of Chartered Certified Accountants (ACCA) UK has great experience in audit practices

(6 to less than 9 years); according to her, the job scope of both units is more or less the same which is related to compliance. For either function, she is only required to report to the Chief Executive Unit (CEO).

Case Study C

CSC was established since 2003 and as of the time research was conducted, it holds three major portfolios i.e. internal audit, integrity unit and risk management. CSC assists and acts as a consultant to the university to ensure the resources are managed and administered in accordance with all regulations. Issues relating to unethical behaviour will be reported to the Integrity Unit. The objective CSC is to ensure ethics and integrity will be implemented by those responsible. CSC reports functionally to the Audit Committee (AC) and administratively to the Vice Chancellor (VC). CSC communicate and interact directly with AC and is included in executive sessions and meetings whenever needed.

Table 4: Profile Company of Case Study A and Case Study B

Elements	Case Study A	Case Study B	Case Study C
Type of Organization	State Government Level	State Statutory Body	Federal Statutory Body
History	2014 as separate unit.	2014 endorse portfolio together with the former internal audit division	2003
Chief of Integrity Unit	Female	Female	Male
Education Level	Degree	Master and ACCA	Degree
Professional Qualification regarding ethics and integrity	None	None	None
Experience relation with Ethics and integrity	Less than 3 years	Six to less than 9 years	Twelve to less than 15 years
Reporting level	State Secretary	Chief Executive Officer	Chief Executive Officer
Number of Staff	More than 10 staffs	Specifically 2; but More than 10 staffs	8 staff
Case reported in last five years	None	Yes. Fraud.	None

Even though there is a requirement that integrity unit should be established in all public sector organizations according to the Prime Minister Directive 2013 and 2014, but currently not all government agencies have their own integrity unit. Based on the profiling above, the analysis of level ethics and integrity in organizations shows the different findings. Table 4.2 shows the overall score of the level of ethics and integrity for three of case studies which is more than 50 per cent. This indicates that both CSA, CSB and CSC are serious in initiating proper integrity mechanism into their daily activities at work places to maintain the highest levels of transparency, integrity and professionalism. But, CSB shows higher percentage as compared to the overall score of CSA and CSC which is 70.85%, 68.26% and 66.10 respectively.

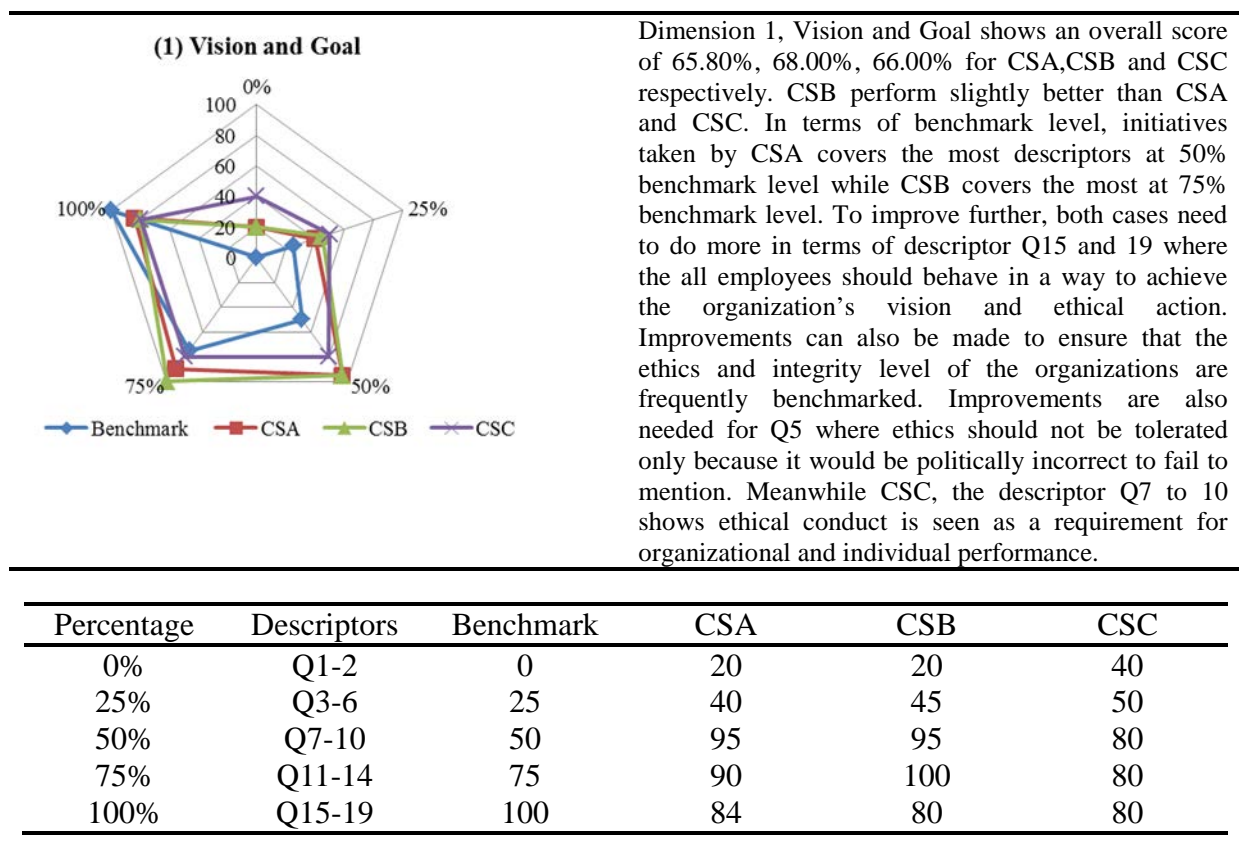
Table 4: Summary of CISM Dimensions Percentage Scores

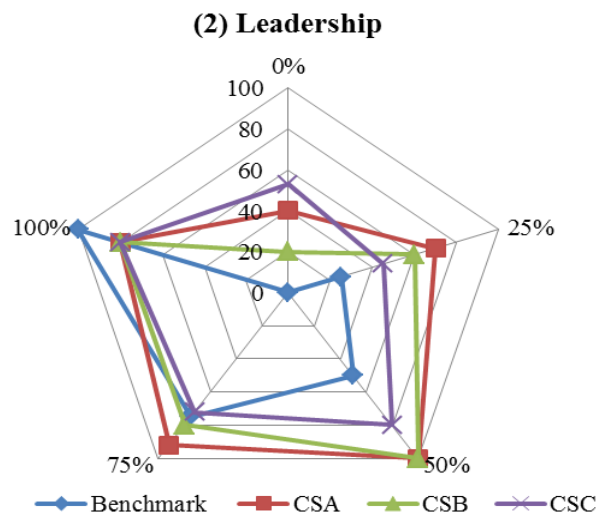
Dimensions of Corporate Integrity System		CSA	CSB	CSC
1)	Vision and Mission	65.80 %	68.00 %	66.00 %
2)	Leadership	76.40 %	68.00 %	68.06 %
3)	Infrastructure	59.60 %	65.80 %	55.60 %
4)	Legal Compliance, Policies and Rules	68.00 %	79.80 %	71.20 %
5)	Organizational Culture	61.60 %	70.67 %	65.06 %
6)	Disciplinary and Reward Measures	64.00 %	68.33 %	60.00 %
7)	Measurement, Research and Assessment	73.33 %	79.00 %	68.80 %
8)	Confidential Advice and Support	71.33 %	61.33 %	66.00 %
9)	Ethics, Training and Education	60.93 %	62.27 %	66.07 %
10)	Ethics Communication	75.33 %	65.33 %	65.07 %
11)	Whistle blowing	69.47 %	77.67 %	69.33 %
12)	Accountability	73.33 %	84.00 %	72.00 %
Overall Score		68.26 %	70.85 %	66.10 %

As shown in the Table 4, all dimensions scored more than 50% which signify that three of CSA, CSB and CSC have begun a programmatic thrust, moving in a healthy direction. The least score obtained is the dimension of infrastructure for CSC which is only 55.60%. Only a few dimensions have achieved the 75% level which is (i) Leadership and (ii) Ethics Communication for CSA and dimensions of (iii) Legal Compliance, Policies and Rules, (iv) Measurement, Research and Assessment, (iv) Whistleblowing and (v) Accountability for CSB. Meanwhile CSC shows all dimensions to be below 75% as compared to CSA and CSB. 75% level implies that the dimensions are being practiced systematically. Thus CSC does not practiced this systematically. None of the dimension achieved 100%, thus, requires CSA, CSB and CSC to have further improvement. In CSC, infrastructure scored the lowest as compared to CSA and CSB. The highest dimension is accountability with a score of 72 %. Table 4.3 compares the five benchmark levels for CSA, CSB and CSC for each dimension. It also shows the descriptors/questions associated with each benchmark level and the percentage score obtained for CSA, CSB and CSC.

Table 5 discusses the finding analysis and discussion of each dimension by the benchmark level for both case study A and case study B

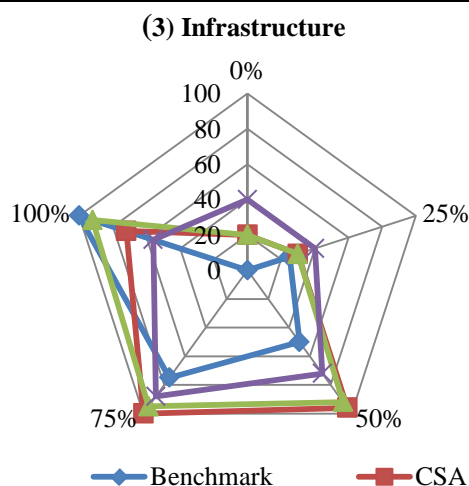
Table 5: Comparison analysis of each dimension by the benchmark levels for CSA, CSB and CSC



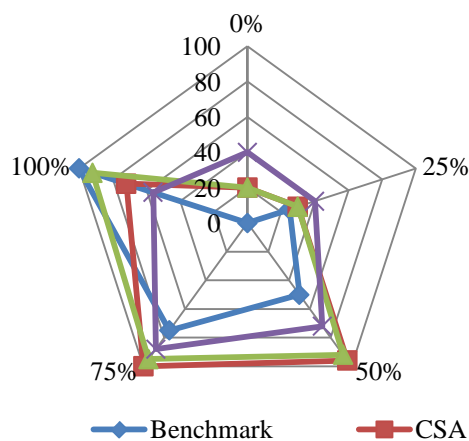


Dimension 2, Leadership shows an overall score of CSA (76.40%) is higher than CSB (68.00%) and CSC (68.06%). In terms of benchmark level, both CSA and CSB cover the most descriptors at 50%. CSA should improve on the leaders' behaviour where they should not treat the staff like children or talk down to them. CSB on the other hand should improve on the acceptance of responsibility and scripts to discuss ethics and integrity. The descriptor Q4-7 for CSC is lowest which can be concluded that leadership accepts some responsibility for ethics especially related to Standard Employee Relations and Human Resources practices. However, it shows weaknesses in leadership as they need scripts in order for them to discuss issues on ethics and integrity.

Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1-3	0	40	20	53
25%	Q4-7	25	70	60	45
50%	Q8-11	50	100	100	80
75%	Q12-16	75	92	80	72
100%	Q17-21	100	80	80	80

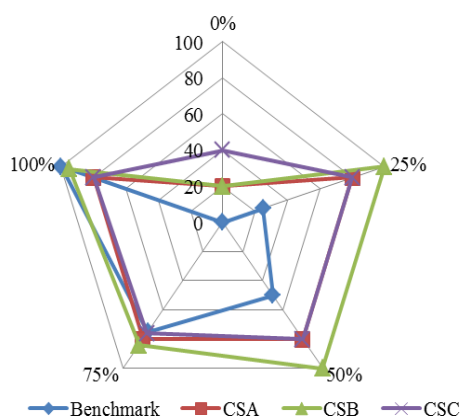


Dimension 3, Infrastructure shows that an overall score for CSB higher 65.80% compare to CSA (59.60%) and CSC (66.10%). CSA need improvement for the pre-clearance of chief ethics and integrity officer by any member of management. Nevertheless, both cases score the most descriptor at 50% and 70% benchmark level. CSA needs to ensure the designated budget has been allocated to implement the integrity agenda. Meanwhile, CSC shows descriptor Q13-17 is lowest, indicating a majority of participant felt that infrastructure of corporate integrity system (CIS) at CSC is in terms of symbolic actions only. The chief integrity officer place less emphasis on integrity infrastructure to support organizations to carry out its integrity's agenda

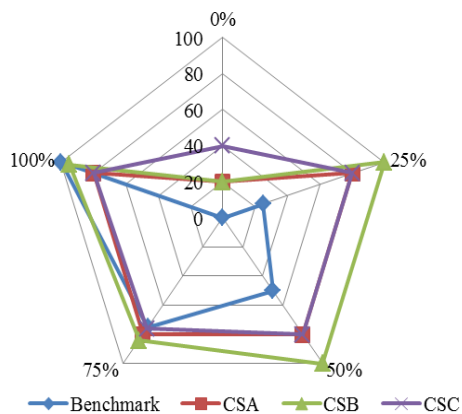
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Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	20	20	40
25%	Q2-3	25	30	30	40
50%	Q4-8	50	96	92	72
75%	Q9-12	75	100	95	88
100%	Q13-17	100	72	92	56

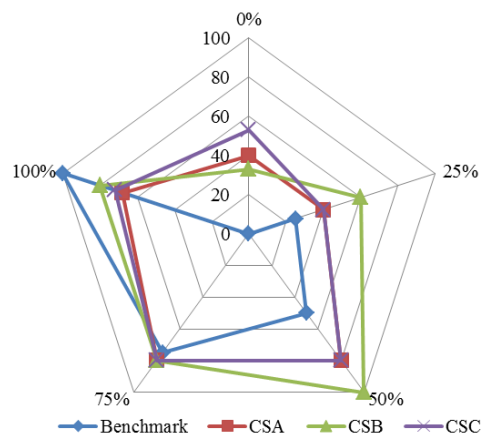
(4) Legal, Policies and Rules

Dimension 4, Legal Compliance, Policies and Rules shows that overall, percentage score of CSB is better compared to CSA and CSC, with a score of 79.80%, 68.00% and 71.20% respectively. Both CSA and CSB need to improve on (i) written policies and rules about ethics, integrity, and compliance (ii) adopting a code of conduct (or code of ethics) which outlines basic guidance about legal compliance for employees (iii) prepare the policies and rules in dual language Bahasa Melayu or English-language version; and (iv) ensure that organization's code of conduct is global yet addresses legal variations across countries. CSC shows descriptor Q9-13 is lowest, indicating that integrity office need to improve on the dual reporting relationship to senior management and the board directors.

(4) Legal, Policies and Rules

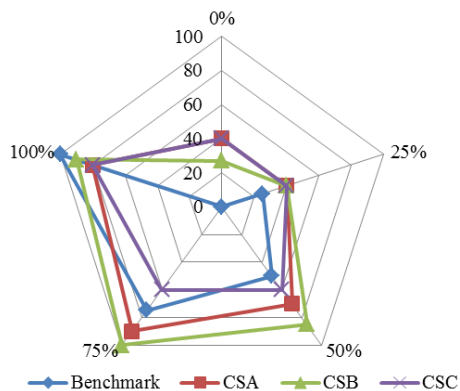
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Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	20	20	40
25%	Q2-4	25	80	100	80
50%	Q5-8	50	80	100	80
75%	Q9-13	75	80	84	76
100%	Q14-17	100	80	95	80

(5) Organizational Culture

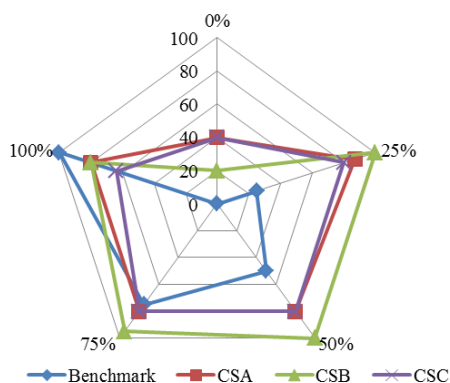
Dimension 5, Organizational Culture shows that overall percentage of CSB is higher than CSA (61.60%) and CSC (60.06%). In terms of benchmark level, the three case studies' score equally well at benchmark level 75%. To achieve 100% benchmark level, CSA, CSB and CSC should improve on (i) justification given for the violation of rules and standards by referring to national culture or practice (ii) identification of integrity role models in the current leadership ranks as well as in the organization's past leaders (iii) ensuring the organization is transparent about its commitments to ethics and integrity, and is willing to share both successes and failures with internal and external audiences. CSB needs to ensure that employees feel safe to speak out about wrongdoings of others in the organization.

Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1-3	0	40	33	53
25%	Q4-7	25	40	60	40
50%	Q8-11	50	80	100	80
75%	Q12-15	75	80	80	80
100%	Q16-17	100	68	80	72

(6) Disciplinary and Rewards Measures

Dimension 6, Disciplinary and Reward Measures shows an overall score of 64.00%, 68.33% and 60.00% for CSA, CSB and CSC respectively. CSB performs better than CSA and CSC to in fulfilling most of the descriptors at benchmark level 75% and 100%. CSB should improve on imposing disciplinary measures when appropriate. CSA should also improve on (i) always addresses consequences for unethical behavior in the organization not only if it adversely impact business results (ii) directly addressed unfair treatment especially by management in the organization. Meanwhile, CSC need to improve descriptor Q10-13 to motivate employee to feel good about the organizations and its mission, commitment to social responsibility and in identifying a specific example of positive ethical conduct.

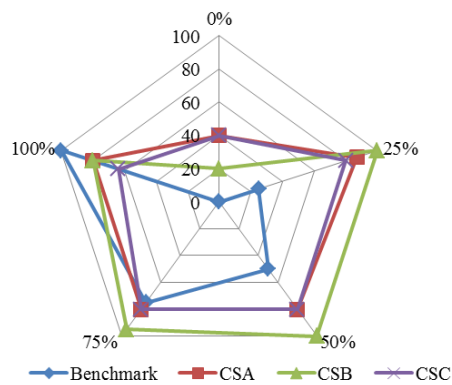
Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1-3	0	40	27	40
25%	Q4-5	25	40	40	40
50%	Q6-9	50	70	85	60
75%	Q10-13	75	90	100	60
100%	Q14-20	100	80	90	80

(7) Measurement, Research and Assessment

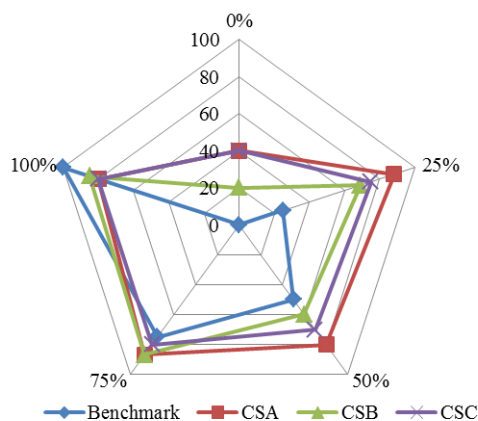
For dimension 7, Measurement, Research and Assessment with an average score at 79.00% for CSB is higher than CSA 73.33% and CSC 68.80%. The three cases should consider to (i) draw maximal distinctions between seeking ethical advice versus seeking legal advice (ii) encourage employees to speak directly to their leaders if they have questions about ethics, integrity, or compliance (iii) provide private office inside of the operational chain of command. Moreover, the leaders should (i) actively encourage staff to obtain ethics advice whenever he/she perceives or believes that an ethical issue has arisen (ii) ensure confidentiality of the ethics advisory process at all levels of the organization (iii) authorization of the integrity Unit for issuing "safe harbour" letters so that employees seeking advice are reassured that they cannot be disciplined because they relied upon that advice.

Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	40	20	40
25%	Q2-4	25	87	100	80
50%	Q5-8	50	80	100	80
75%	Q9-12	75	80	95	80
100%	Q13-Q17	100	80	80	64

%

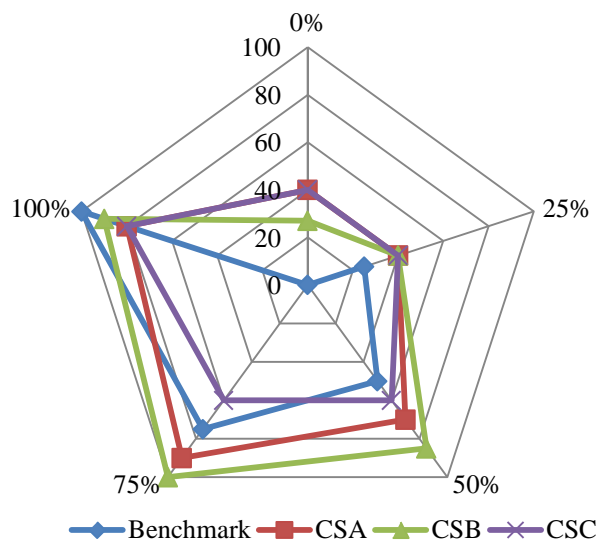
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(8) Confidential Advice and Support

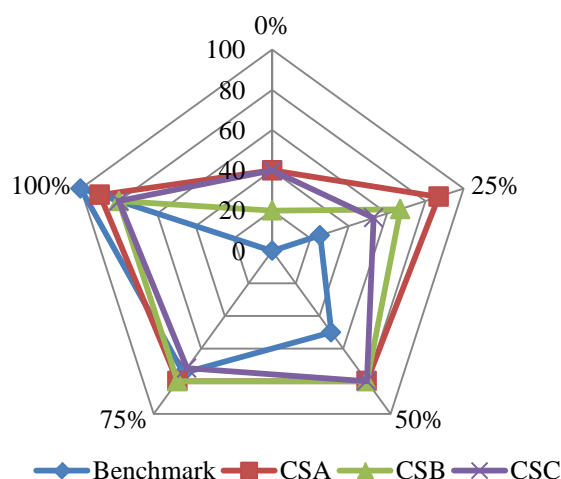
Dimension 8, Confidential Advice and Research shows that the overall percentage obtained by CSA are 71.33%, CSB is 61.33% and CSC 66.00% respectively. None of the cases hundred percent of the descriptors for each benchmark. All three cases need to take immediate actions: i) that the chief ethics/integrity officer should be encouraged to cross check his/her advice with the company’s chief legal officer. ii) all employees in the organization, including senior executive and members of the board of directors need to be comfortable in seeking independent, confidential and neutral advice. iii) to establish a “confidential office” to provide ethics advice and counselling to employees.

Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	40	20	40
25%	Q2-5	25	88	69	75
50%	Q6-9	50	80	60	70
75%	Q10-12	75	87	87	80
100%	Q13-16	100	80	85	80

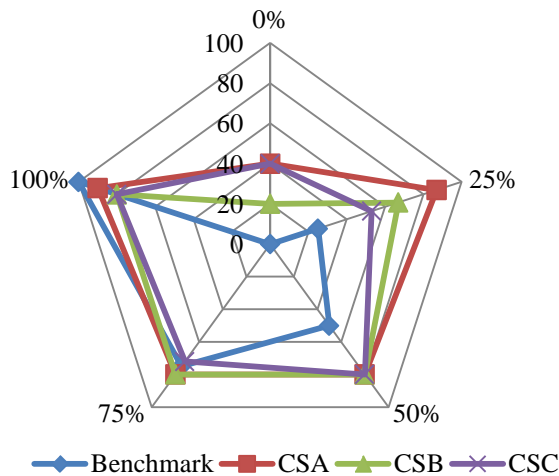
(9) Ethics Training and Education

Dimension 9, Ethics, Training and Education shows that overall score for CSA is 60.93% which is slightly lower compare to CSB and CSC which is 62.27%, 66.07%. In terms of benchmark level, none of them fulfilled hundred percent of descriptors. Yet, CSC score higher than CSA and CSB at 75% level. Both should improve on training programs of integrity and focus on informing employees about policies and meeting legal requirements. To achieve 100% benchmark level, the three cases should (i) ensure staff of the integrity unit to help design, develop, deliver, and reinforce learning through training (ii) provide a minimum number of state-of-the-art integrity training per year to all board members of employees, iii) promote ethics and integrity within the organization, by “recognizing and rewarding” ethical behavior and penalize inappropriate behaviour.

Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	40	20	40
25%	Q2-3	25	60	50	60
50%	Q4-8	50	48	68	72
75%	Q9-14	75	77	93	80
100%	Q15-18	100	80	80	80

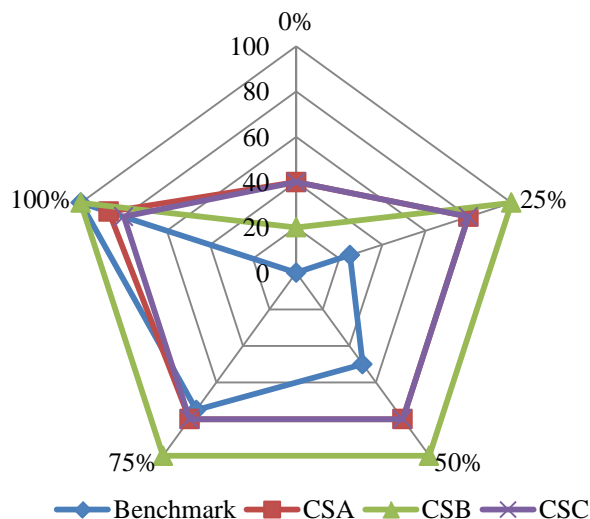
(10) Ethics Communication

Dimension 10, Ethics Communications showed that CSA percentage is 75.33% higher than CSB 65.33% and CSC 65.07%. In terms of benchmark level, none of them are fully achieved. CSA score higher at benchmark level 100%, but, it can be improved more by sponsoring events that promote ethical business conduct and increase awareness. Both CSB and CSC should improve on the descriptors listed in benchmark level 25% since they score more than 50%. This can be done by encouraging the managers to talk about integrity informally or on an ad hoc basis. Staff should also be encouraged to provide feedback on ethics and integrity.

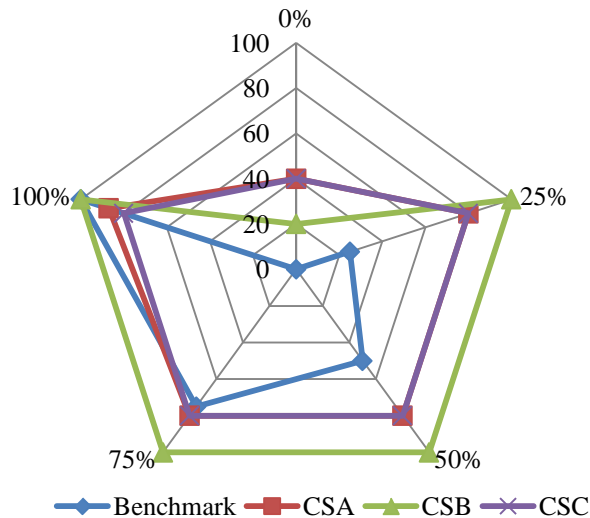
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Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	40	20	40
25%	Q2-Q4	25	87	67	53
50%	Q5-7	50	80	80	80
75%	Q8-12	75	80	80	72
100%	Q13-18	100	90	80	80

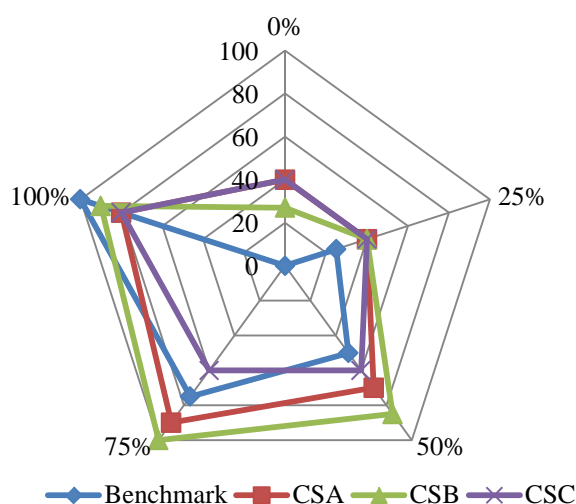
(11) Whistleblowing

Dimension 11, Whistle blowing shows overall scores of 69.47%, 77.67%, and 96.33% for CSA, CSB and CSC respectively. CSB performs better than CSA and CSC especially at benchmark level 50%. However, CSB needs to improve on the organizational policies about protecting employees from retaliation or retribution. Other approach should be considered to make the employees able to directly to speak about unethical behaviour or misconduct. CSB also should improve on the policy that encourages employees to follow the "chain of command" when facing workplace issues. This is also applied to CSA. CSA should also improve on encouraging or supporting anonymous complaint regarding unethical behaviour. To achieve 100% benchmark level, both CSA, CSB and CSC should have the supervisors and managers receive training on how to recognize and prevent retaliation. CSA, and CSB should also consider on victims of retaliation to be fully compensated for loss sustained. CSC needs to implement the organization draws minimal differentiate between seeking ethical advice and seeking legal advice.

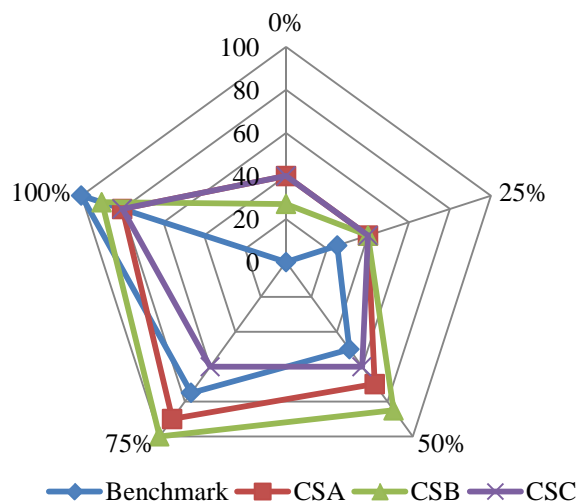
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Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1	0	40	20	40
25%	Q2-3	25	80	100	80
50%	Q4-5	50	80	100	80
75%	Q6-7	75	80	100	80
100%	Q8-10	100	87	100	80

(12) Corporate Socia Responsibility

Dimension 12, Accountability shows that CSB score higher than CSA, CSC with 84.00% and 73.33% and 72.00% percentage respectively. In terms of benchmark level, CSB perform better at level 50%, 75% and 100%; but it has to improve the reactions or response to audit/officials inquiries and discloses information when the disclosure serves its interest. This recommendation is also applied to CSA. Another improvement CSA should consider is: to provide in forms for things that have been verified by credible and reputable independent parties and comply with procedure. CSC needs to provide financial resources and engage employees in a variety of community projects.

(12) Corporate Social Responsibility

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Percentage	Descriptors	Benchmark	CSA	CSB	CSC
0%	Q1-3	0	40	27	40
25%	Q4-5	25	40	40	40
50%	Q6-9	50	70	85	60
75%	Q10-13	75	90	100	60
100%	Q14-20	100	80	90	80

As shown in Figure 5, CSB performed better than CSA and CSC in almost all dimensions except for dimensions of Leadership, Confidential Advice and Support, and Ethics Communication. In this dimension, CSA scores the highest percentage. Therefore, it is highly recommended that CSB focus more on these three dimensions. On the other hand, CSA needs more improvement on all dimensions with less focus on the following dimensions: (i) Leadership; (ii) Confidential Advice and Support and (iii) Ethics Communication. The overall score for CSC is 66.10% indicating slightly lower than the score compared to CSA and CSB. The results have also revealed infrastructure for company CSC is the lowest compared to CSA and CSB.

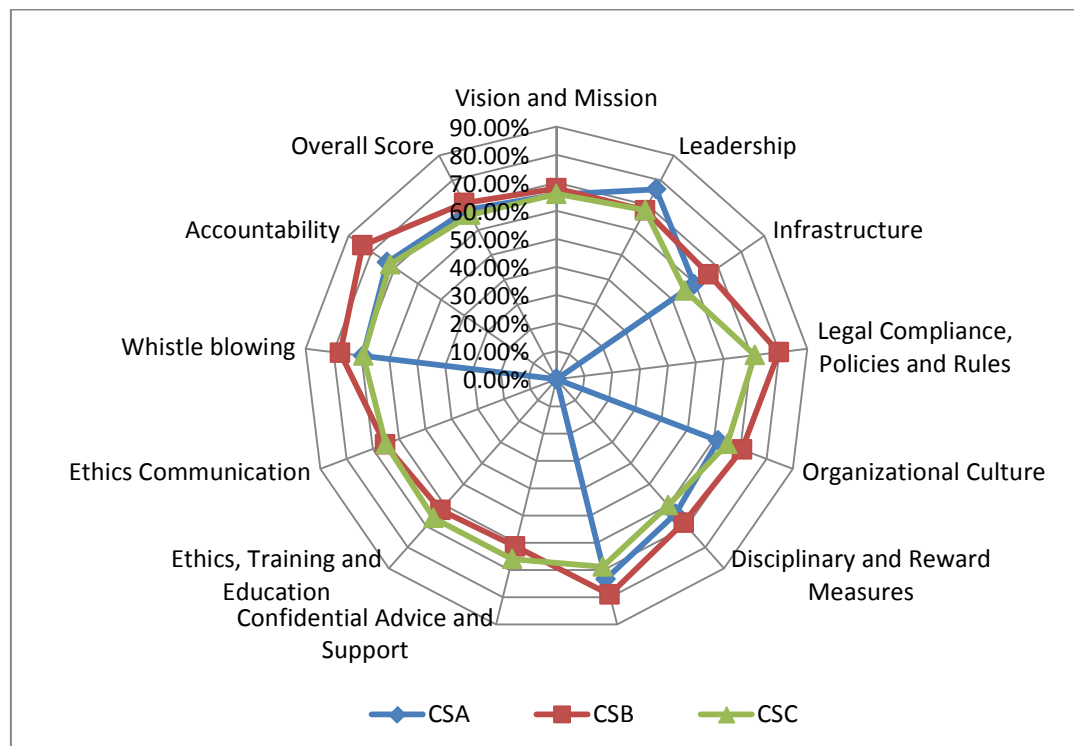


Figure 3. Overall scores of CISM Dimension.

In this study, chief integrity Unit (CIU) through its integrity unit serves as the internal control for the three cases. According to Case Study A (CSA), the integrity unit acts as the Disciplinary Committee for corrective measures. Prior to that, CSA is required to plan and conduct program on ethics and integrity to raise the awareness and accountability of the organizations. CSA works closely with Internal Audit Unit of Public Sector A (PSA) in order to enhance the level of ethics and integrity as well as to prevent corruption or misconduct of accounting management. Internal audit unit of PSA will carry out their audit plan and detect any issues that are supposed not to happen. Once the report is filed, the integrity unit will take charge and bring this matter to the top management and Malaysian authorities.

Limitation and Conclusion

This study employed a case study method focusing on three organizations, and thus results could not be generalizable to all Malaysian public sector organizations. Thus, in future, an empirical quantitative study can be conducted to examine the factors that can lead to a higher level of ethics and integrity in the organisation. A focus group or in depth interview with a larger sample and different types of organizations can also be conducted to explore the level of ethics of the organisation and what could be done to improve it.

In summary, all three case studies are public sector organizations i.e. State Government, State Statutory Body and Federal Statutory Body with huge responsibilities of uplifting the economic and social well-being of the local citizenship of the State and Federal. Therefore, level of ethics and integrity is an important priority, to ensure that the public sector organisations are able to fulfil their responsibilities. . Both organizations need to be perceived to have a high level of ethics and integrity by the public. A Chief Integrity Unit (CIU) plays an important role as a preventive and corrective mechanism to the management especially in the public sector organizations as they are tasked to be accountable and responsible for the taxpayers' welfare. The CIU is seen as an agent to ensure that all the twelve dimensions of level of ethics and integrity, namely (1) Vision and Goals; (2) Leadership; (3) Infrastructure; (4) Legal Compliance, Policies and Rules; (5) Organizational Culture; (6) Disciplinary and Reward Measure; (7) Whistleblowing; (8) Measurement, Research and Assessment; (9) Confidential Advice and Support; (10) Ethics Training and Education; (11) Ethics Communications; (12) Accountability can be improved. With improvements in the twelve dimensions, the level of ethics and organisation can be improved.

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